GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:2757
ANSWERED ON:17.12.2004
SAFTA
Ramadass Prof. M

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the volume of trade with SAARC countries during last five years and trade expected to improve in the next two years;

(b) whether there has been any obstacle in the implementation of the South Asian Free Trade Agreement (SAFTA) to promote the intra regional trade between SAARC countries;

(c) the number of countries with which India has signed bilateral Free Trade Agreements (FTAs) and success of implementation; and

(d) will the Government consider the formation of trade cartels and joint marketing in third world countries?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN)

(a): A statement showing India`s trade with SAARC countries during 1999-2000 to 2003-2004 is at Annexure. During April-July 2004-2005, our total trade with the SAARC member countries amounted to Rs. 6894.96 crores against Rs. 6281.70 crores in the same period during the previous year registering an increase of 9.76%. This trend is expected to continue.

(b): No Sir. Agreement on South Asian Free Trade Agreement (SAFTA) was signed during the Twelfth SAARC Summit held at Islamabad in January 2004 and the SAFTA is scheduled to come into force with effect from 1st January, 2006. Necessary action to complete the outstanding issues to ensure the implementation of SAFTA with effect from 1 January 2006 is being taken as per the road map drawn up during the 4th Meeting of the Commerce Ministers held at Islamabad on 22-23 November, 2004, and no obstacle is foreseen in this regard. SAFTA will take the region to a much higher level of trade and economic cooperation by removing barriers to cross-border flow of goods by reducing/eliminating tariffs and removing impediments to trade by way of non-tariff restrictions, etc.

(c): In the SAARC Nations, India has bilateral Free Trade Arrangements with Bhutan as per the Agreement between India and Bhutan on Trade & Commerce signed for a period of ten years with effect from 2nd March 1995 and with Sri Lanka as per Indo-Sri Lanka Free Trade Agreement signed on 28th December, 1998. India`s bilateral trade with Bhutan and Sri Lanka has been going on smoothly.

(d): No such proposal is under consideration of the Government at present.

STATEMENT SHOWING INDIA`S TRADE WITH SAARC COUNTRIES

EXPORT/IMPORT (Figures Rs. in crores)

Country	1999-2000 (Apr-Jul)		2000-2001 (Apr-Jul)		2001-2002		2002-2003		2003-2004		2003-2004		2004-2005	
	Export	Import	Export	Import	Export	Import	Export	Import	Export	Import	Export	Import	Export	Import
Bangl-adesh	2756.57	338.66	3988.18	337.49	4779.58	281.94	5691.29	300.29	7563.93	285.99	2440.08	119.65	1993.16	63.81
Sri Lanka	2163.05	191.67	2875.63	204.52	3008.85	321.34	4457.12	439.55	6067.35	893.54	1799.56	199.78	1844.68	312.49
Nepal	655.29	817.33	643.40	1053.97	1022.80	1697.56	1695.56	1363.59	2956.21	1249.87	863.78	280.23	1109.28	447.73

Paki-stan	402.76	295.59	851.19	292.50	686.79	308.83	997.73	217.05	1316.75	265.32	183.16	118.56	756.24	85.76
Bhutan	32.82	78.06	4.78	95.59	36.24	114.09	188.96	155.61	399.08	240.66	156.96	77.92	146.33	80.88
Maldi-ves	31.64	1.74	111.77	0.40	128.18	1.89	152.86	1.61	194.35	1.72	41.72	0.30	53.98	0.62
Total	6042.13	1723.05	8474.95	1984.47	9662.44	2725.65	13183.52	2477.7	18497.67	2937.10	5485.26	796.44	5903.67	991.29
Total (world)	159095	215528	201356	228306	209018	245200	255137	297206	291582	353976	82827	10700	107016	139892
% Share	3.80	0.80	4.20	0.87	4.62	1.11	5.16	0.83	6.34	0.83	6.62	0.74	5.51	0.70

Data Source: DGCI&S Kolkata (Supplied by NIC, DOC)